(c) whether Pakistan has agreed to accord most favoured nation status to India; and

(d) if so, the benefits that will flow to India by this status?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH): (a) Yes, Sir, The second meeting of India-Pakistan Chambers of Commerce & Industry was held in Pakistan on May 22, 2001.

(b) The subjects discussed at the meeting included the potential for enhancing bilateral trade including the channelisation of unofficial trade and promotion of bilateral joint ventures.

(c) No, Sir.

(d) Does not arise.

Impact of devaluation of rupee on import and export

†2448. SHRI JANESHWAR MISHRA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the impact of constant devaluation of rupee on import and export of the country;

(b) whether it is a fact that the Indian Industry have collapsed due to devaluation of rupee; and

(c) the steps taken by Government to keep the trade and industry unaffected as far as possible from this fluctuation in the value of rupee?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH): (a) to (c) While depreciation is considered to help exports and make imports costlier, imports and exports are affected by a number of factors like growth in world trade, growth in demand for our exports, domestic need for imports, Government policies etc. However, depreciation has to be viewed in relation to issues like depreciation by competitors, extent of overvaluaiton of domestic currency, impact on international debt and foreign investment, extent of domestic inflation etc. In India, exports have performed well during 2000-01 with a growth of 19.83% as against an export target of 18%. Export Promotion being a constant endeavor of the Government, a number of

†Original notice of the question was received in Hindi.

steps have been taken to enhance the export growth which include reduction in transaction cost through decentralization, simplification of procedures and various other measures as enumerated in the Exim Policy. Steps have also been taken to promote exports through multilateral and bilateral initiatives, identification of thrust sectors and focus regions. Special Economic Zones are being set up to further boost the exports.

New industrial policy for Northern Hilly States

2449. SHRI ANIL SHARMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that States of Jammu and Kashmir, Himachal Pradesh and Uttaranchal are also as hilly, backward and remote as the States of NE parts of the country;

(b) whether it is also a fact that for NE States, there is separate industrial policy; and

(c) if so, whether Government propose to announce a separate industrial policy to Northern Hilly States of Jammu and Kashmir, Himachal Pradesh and Uttaranchal on the lines of NE States?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN) (a) and (b) Considering relative geographical isolation of the North East region, distance from the main centres of trade and industry, inadequate physical infrastructure, smallness of the regional market and low accessibility to the market outside the region as well as prevalent extraordinary circumstances, a Special Package of incentives was notified by the Government on 24.12.1997 to stimulate industrial development in the region.

(c) Proposals have been received from the State of Jammu and Kashmir and Uttarnchal for a separate industrial policy. No proposal from State of Himachal Pradesh for a separate industrial policy has been received.

Smuggling of diamonds

2450. SHRI ANIL SHARMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to a news-item